

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3145 – HB 3346

March 30, 2010

SUMMARY OF AMENDMENT (015807): Deletes all language after the enacting clause. Authorizes an individual who is currently covered through the state sponsored health insurance plan and meets eligibility criteria for the CoverKids program, to enroll in the CoverKids program as a secondary payor to the state sponsored insurance. The Department of Finance and Administration must determine that the cost to the state of the secondary coverage is less than the cost to the state of providing full coverage should the individual subsequently cease to be covered by the state sponsored insurance.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$25,000

Increase Federal Expenditures - \$25,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Exceeds \$100,000

A more precise cost estimate is not possible because the Department of Finance and Administration has not provided any information to assist in the preparation of this fiscal memorandum.

Assumptions applied to amendment:

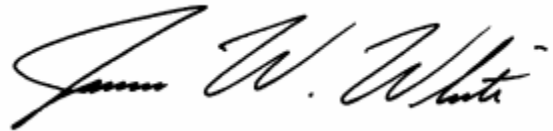
- The provisions of the bill will apply only to state employees that would meet all eligibility criteria for the CoverKids program except for the requirement that the individual not have health insurance coverage.
- The Department of Finance and Administration would have to determine that the cost to the state to provide coverage as a secondary payor through CoverKids would be less than if the state were to provide full health benefits for the individual through CoverKids prior to the individual being enrolled in the program.
- The fiscal impact of this bill as amended is dependent upon several unknown factors such as the number of individuals who will become eligible for the CoverKids program as a secondary payor, the extent of the health benefits coverage that the individuals would receive, and the difference in costs between providing health coverage through

the state-sponsored health plan as a primary payor and the CoverKids program as a secondary payor as compared to providing the coverage through the CoverKids program as a primary payor.

- While an exact fiscal impact of the bill as amended cannot be estimated, it is reasonably determined that any increase in expenditures will exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kml